REMARKS/ARGUMENTS

Favorable reconsideration of this application in light of the following discussion is respectfully requested.

Claims 1-2, 5, 7-11, 14-15, 17-21, 24-27 and 30-32 are pending in the present application. No claim amendments are presented, thus no new matter is added.

In the outstanding Office Action, Claims 1, 2, 5-11, 14-21, 24-27 and 30-32 are rejected under 35 U.S.C. § 103(a) as unpatentable over <u>Hayes et al.</u> (U.S. Pub. 2003/0200216, herein Hayes) in view of Hori et al. (U.S. Pub. 2002/0138442, herein <u>Hori</u>).

In response to the above-noted rejection under 35 U.S.C. § 103, Applicants respectfully submit that independent Claims 1, 10, 20 and 26 recite novel features clearly not taught or rendered obvious by the applied references.

Independent Claim 1, for example, recites an information service method, comprising:

recording identification information that is unique to a non-recordable data recording medium to the data recording medium;

correlatively storing the identification information and management information corresponding to the data recording medium at a management server...

reading the identification information from the data recording medium...

transmitting the identification information read from the data recording medium to a communication network;

receiving, at the management server, the transmitted identification information and reading the management information correlated with the identification information;

outputting the read management information from the management server;

transmitting the identification information and information that represents a use mode of the data recording medium to the management server;

updating, at the server, the management information each time the identification information and information that represents a use mode of the data recording medium is received; and

reproducing the content data on the data recording medium in accordance with the provided management information.

Independent Claims 10, 20 and 26, while directed to alternative embodiments, recite similar features as those emphasized above. Accordingly, the remarks and arguments presented below are applicable to each of independent Claims 1, 10, 20 and 26.

As described in an exemplary embodiment at Fig. 9, a user terminal first reproduces and transmits a unique identification corresponding to the data recording medium to the management server, which responds by returning the management information (e.g., use limit information). The user terminal unit then selects a use mode (e.g., reproduction, copy, etc.) for operation, and transmits this information to the management server, which responds by updating or rewriting the management information. Then, the user terminal unit reproduces, copies, etc., the content data in accordance with the received management information.

In rejecting the claimed features directed to "transmitting the identification information and information that represents a use mode of the data recording medium ...", the Office Action relies on Fig. 19 and paragraphs [0003], [0025] and [0028] of <u>Hayes</u> asserting that this references teaches "reads the disc identification information and sends its unique remote identification number and disc identification information via the communication link". Therefore, the Office Action appears to concede that <u>Hayes</u> fails to disclose the claimed features directed to "transmitting ... *information that represents a use mode of the data recording medium*".

Nonetheless, paragraph [0025] of <u>Hayes</u> describes that a distribution CD set is physically delivered to each remote location requiring access to the recorded information. Each remote location is equipped with an information access system that includes its unique remote location identification number, a CD reader with an embedded decryption system, and a bilateral communication link to the central access control system. When a user wishes to access the information, he logs into the information access system using his unique user identification and password pair. The information access system then reads the disc

Application No. 10/697,242

Reply to Office Action of June 2, 2009

identification information and sends its unique remote location identification number and the disc identification information as an access request to the central access control system via the bilateral communication link. If the access control system is able to verify the request based on the central access control database and grant the request based on the ARL, the central access control system will send the requesting information access system a unique decryption key to access the particular distribution CD currently contained in the information access system. Finally, paragraph [0028] of Hayes characterizes U.S. Pat. No. 6,434,535, and describes that the '535 patent discloses a system and method for distribution of electronic content over a network infrastructure and compensation of vendors of such data using prepaid media that includes a client device for operation by a user desiring to receive the electronic content and server that contains the electronic content and offering the electronic content for downloading to the client device via the network infrastructure. The client device communicates a unique identifier associated with a particular piece of media to which the electronic content is to be stored to the server. The server contacts a media tracking sever to determine if the media is valid and a remaining balance of the prepaid media. The cost of the electronic content to be downloaded is deducted from the remaining balance and credited to the vendor's account. The server then encrypts the electronic content using the unique identifier as a key and downloads the encrypted electronic content to the client computer, where the client computer writes the encrypted electronic content to the particular piece of media such that the encrypted electronic content may only be accessed from the particular piece of media. The electronic content is only accessible from only the one piece of media having the unique identifier and is not accessible from any other media having a different or no identifier.

Thus, <u>Hayes</u> describes various variations in which a user receives a physical CD and transmits an ID unique to the CD (or the client device) when the CD is reproduced at the

client device. When the central access control system determines that the user is authorized to access the content on the CD based on the received identification information, a key is transmitted from the central access control system to the client device.

Hayes, therefore, while <u>Hayes</u> does appear to describe that a unique ID is transmitted to the central access control system, the reference fails to teach or suggest "transmitting the identification information and information that represents a use mode of the data recording medium to the management server".

Moreover, as conceded at p. 4 of the Office Action <u>Hayes</u> fails to disclose "updating, at the server, the management information each time the identification information and information that represents a use mode of the data recording medium is received," as required by independent Claim 1.

In an attempt to remedy this deficiency, the Office Action relies on Hori. Generally, Hori relates to system in which a personal computer 60 obtains music data and identification information of the music data from a CD and transmits the identification information to a license management server 11. The personal computer 60 receives an encryption key and additional information of the music data from the license management server and encodes the music data to generate content data and encrypts the content data with an encryption key to generate encrypted content data, which is uploaded to the personal computer together with the additional information. Thus, in Hori, once the additional data is retrieved at the personal computer 60, the license processing appears to occur at only at the personal computer 60 without any further interaction with the license management server 11.

Hori, therefore, fails to teach or suggest "updating, at the server, the management information each time the identification information and information that represents a use mode of the data recording medium is received," as required by independent Claim 1.

In rejecting the above noted feature, the Office Action relies on paragraphs [0163] and [0180] of Hori, asserting that the reference "discloses updated checkout information that having added thereto a number of times checkout allowed ... uses the generated encrypted license data to update and record license data of a license management file". Indeed, these cited portions of Hori do appear to describe a checkout and update process. Hori, however, describes that the checkout and update processes are performed exclusively at the personal computer 60 without any interaction between the personal computer 60 and the license management server 11 upon performing the checkout procedure. Therefore, the license management server 11 in Hori does not receive "information that represents a use mode of the data recording medium", nor does the server "update ... the management information each" time this use mode information is received, as claimed.

More particularly, the "updated checkout information ... having added thereto a number of times checkout allowed" noted in the Office Action, is updated by the license management module 511 at the personal computer 60 when content is checked out from the personal computer 60 to a reproduction terminal 100. No interaction with the license management server 11 occurs, whatsoever, during this process of checking out content from the personal computer 60 to the reproduction terminal 100. Similarly, the license management module 511 at the personal computer 60 "uses the generated encrypted license data to update and record license data of a license management file", as noted in the Office Action. Thus, this procedure also does not involve any interaction with the license management server 11.

Hori, therefore, fails to teach or suggest "updating, at the server, the management information each time the identification information and information that represents a use mode of the data recording medium is received," as required by independent Claim 1.

Therefore, <u>Hayes</u> and <u>Hori</u>, even if combined, fail to teach or suggest at least the features of "transmitting the identification information and information that represents a use mode of the data recording medium to the management server" and "updating, at the server, the management information each time the identification information and information that represents a use mode of the data recording medium is received", as required by independent Claim 1.

Accordingly, Applicants respectfully request that the rejection of Claim 1 (and the claims that depend therefrom) under 35 U.S.C. § 103 be withdrawn. For substantially similar reasons, it is also submitted that amended independent Claims 10, 20 and 26 also patentably define over <u>Hayes</u> and <u>Hori</u>.

Consequently, in view of the present amendment and in light of the foregoing comments, it is respectfully submitted that the invention defined by independent Claims 1, 2, 5, 7-11, 14, 15, 17-21, 24-27 and 30-32 is patentably distinguishing over the applied references. The present application is believed to be in condition for formal allowance and an early and favorable reconsideration of the application is therefore requested.

Respectfully submitted,

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